

**COMMITTEE ON WAYS AND MEANS**  
**U.S. HOUSE OF REPRESENTATIVES**  
**WASHINGTON, DC 20515**

April 26, 2021

Dirk Van de Put  
Chief Executive Officer  
Mondelez International  
100 Deforest Avenue  
East Hanover, NJ 07936

Dear Mr. Van de Put,

With Mondelez's recently announced closure of facilities in Fair Lawn, New Jersey and Atlanta, Georgia, we write to better understand your treatment of workers in the United States and the role of our tax and international trade policies in these decisions. Eliminating good paying union jobs here in the United States while creating low-wage jobs abroad may benefit your corporate bottom line, but it drives race-to-the-bottom conditions. These practices have devastating impacts to workers, their families, and communities across our country as this nation struggles through the pandemic.

We understand that Mondelez has been shifting operations out of the United States for the past several years, resulting in the loss of union jobs. In 2015, Mondelez announced to corporate shareholders that several product lines known as "Power Brand Products" would be shifted to Mexico. Within months, Mondelez closed its Philadelphia, Pennsylvania bakery where Oreo and other brands were made by 450 workers.<sup>1</sup> The next month, Mondelez announced the additional investment of \$130 million in its new plant in Salinas Victoria, Nuevo León, Mexico.<sup>2</sup> Continuing this pattern, it is our understanding that workers in the firm's Chicago, Illinois bakery were informed around this same time that Mondelez was moving 9 of 16 production lines from there to Mexico. Less than a year later, Mondelez announced 600 workers would be laid off from the Chicago Nabisco bakery.<sup>3</sup>

Mondelez's employment actions in Mexico are also troubling. Upon beginning operations in Mexico, we understand that a union contract was signed on March 25, 2014, that paid workers between 150 pesos (\$7.79 per day, or \$0.97 per hour) and 200 pesos (\$10.38 per day, or \$1.29 per hour). In 2017, a Mondelez spokeswoman told the Chicago Tribune that the "average worker at the plant in Mexico makes total compensation—including a base wage and the value of benefits—that's equivalent to \$7 an hour, which is a competitive salary for that region."<sup>4</sup>

We seek further details concerning Mondelez's policy of paying workers in Mexico low wages and how it may relate to the elimination of United States jobs. Reports that the company has been demanding cuts to wages and benefits in factories across the United States appear related to decisions to invest in and move operations to Mexico. As Ways and Means Committee Members, with oversight over U.S. trade agreements

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<sup>1</sup> <https://www.inquirer.com/philly/blogs/inq-phillydeals/Mondelez-shuts-Northeast-Philadelphia-plant.html>

<sup>2</sup> <https://ir.mondelezinternational.com/news-releases/news-release-details/mondelez-international-invests-more-130-million-further>

<sup>3</sup> <https://www.chicagotribune.com/business/ct-oreo-workers-question-ceo-0519-biz-20160518-story.html>

<sup>4</sup> <https://www.chicagotribune.com/business/ct-chicago-oreo-layoffs-one-year-later-0219-biz-20170217-story.html>

and enforcement, we request responses and explanations to the following questions by no later than May 10, 2021:

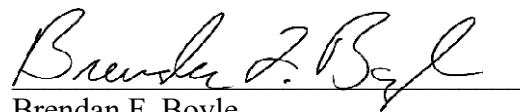
1. Please confirm whether there is a union contract between workers at the Salinas Victoria bakery and Mondelez. If so, please share every iteration of this contract, including the wages and benefits provided to workers under the contract.
2. In light of the comments detailed above by a company spokeswoman in 2017, is it still Mondelez policy to seek the lowest paid workers to produce its products?
3. Please identify all Mondelez facilities in Mexico, including joint ventures. Please detail and provide a timeline of all investments Mondelez has made in Mexico, including the number of jobs created in Mexico and information specifying which facilities export to the United States.
4. Please provide copies of collective bargaining agreements for all facilities and joint ventures in Mexico. Please confirm if all workers at facilities covered by union contracts have been provided with hard copies of these contracts, and please explain how this has been done.
5. Please identify all known measures the unions at Mondelez facilities and joint ventures have taken to comply with requirements under Mexican labor law to hold contract legitimization votes by May 1, 2023.
6. Please detail and provide a timeline of all bakery closures in the United States, including associated job losses and job transfers between facilities in the United States.
7. Will Mondelez commit to making no additional plant closures in the United States? If not, please detail Mondelez's plans for any potential closures.
8. Has Mondelez taken any actions to discourage union membership in the United States and Mexico? If yes, please describe such activities.

Thank you very much for your time and attention to our request.

Sincerely,



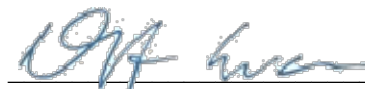
Bill Pascrell, Jr., *Chair*  
Subcommittee on Oversight



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Bradley S. Schneider  
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